

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:)	Chapter 11
)	
EASTERN LIVESTOCK CO., LLC,)	Case No. 10-93904-BHL-11
)	
Debtor.)	Hon. Basil H. Lorch III

**SEVENTH INTERIM APPLICATION OF DEVELOPMENT SPECIALISTS, INC. FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS CONSULTANT FOR JAMES A. KNAUER, CHAPTER 11 TRUSTEE**

James A. Knauer, the chapter 11 trustee (the "Trustee") appointed in this case, files this seventh interim application (the "Application") on behalf of Development Specialists, Inc. ("DSI") for the allowance and payment of DSI's fees as consultant for James A. Knauer, the chapter 11 trustee (the "Trustee") appointed in Eastern Livestock Co., LLC and for reimbursement of out-of-pocket expenses incurred on behalf of the Trustee.

This is an interim fee request application. Any award of fees and costs of this Application by the Court is without prejudice to the rights of any party in interest to object to the final award of the fees and costs requested herein or to maintain any prior objection to previous interim awards of fees and costs to DSI. Any order approving this Application shall state that the interim award is without prejudice to the rights of any party in interest to object to a final fees and costs award whether an objection to an interim application was filed or not filed.

In support of this Application, the Trustee states as follows:

1. Certain petitioning creditors commenced the above-captioned chapter 11 case ("Chapter 11 Case") against Debtor on December 6, 2010 ("Petition Date") by filing an involuntary petition for relief under chapter 11 of title 11 of the United

States Code, 11 U.S.C. §§ 101 et seq. ("Bankruptcy Code"). This Court entered the *Order For Relief In An Involuntary Case And Order To Complete Filing* [Docket #110] on December 28, 2010.

2. On December 27, 2010, the Court entered the *Order Approving The Appointment Of James A. Knauer As Chapter 11 Trustee* [Docket #102] ("Trustee Order"), approving the United States Trustee's *Notice Of Appointment And Application for Order Approving Appointment of Trustee* [Docket #98] pursuant to 11 U.S.C. § 1104.

3. This Court, by order dated February 8, 2011 [Docket #257], approved the Trustee's retention of DSI as the Trustee's consultant.

4. On December 17, 2012, the Court entered *Finding of Fact, Conclusion of Law, and Order Under 11 U.S.C. §1129 (a) and (b) And FED.R.BANKR.P.3020 Confirming Trustee's First Amended Chapter 11 Plan of Liquidation as Immaterially Modified* [Docket#1644].

5. This Application is the seventh interim application filed on behalf of DSI seeking compensation and reimbursement of out-of-pocket expenses incurred by the consultant for the Trustee for the period October 1, 2014 through and including August 31, 2015.

6. As consultant to the Trustee, DSI performed a variety of services, all of which are described in detail in the time entries attached as Exhibit A. The services performed by DSI for and on behalf of the Trustee include, but are not limited to, the following categories:

- a. Fee Application/Client Billing. DSI prepared a sixth interim fee application. DSI spent a total of 6.30 hours at a total cost of \$3,138.50 in connection with this category.

- b. Collection of Notes Receivable. DSI researched information related to an outstanding note receivable including tracing cash receipts and disbursements activity to support note receivable balances due to the Debtor and executed a declaration in support of collection litigation. DSI spent 3.10 hours for a total of \$1,224.50 in connection with this category.
- c. Managing Business Operations. DSI supervised remaining staff, including review and co-ordination of weekly payroll processing. DSI spent 11.10 hours for a total cost of \$2,902.00 in connection with this category.
- d. Litigation Support. DSI researched and responded to numerous requests from counsel relating to various litigation matters including responding to subpoena requests and preparing for and participating in depositions. DSI spent 116.60 hours for a total cost of \$45,342.50 for assisting with this category.
- e. Travel at one-half. DSI consultant charged travel time at one-half of the regular hourly rate for travel. DSI spent 12.00 hours for a total cost of \$2,370.00.

7. DSI has reviewed its detailed time entries, and has attempted to eliminate double billing for conference time between DSI's timekeepers, except where the participation of the timekeepers has demonstrable benefit to the estate. Where possible and efficient, DSI encourages the use of lesser billing rate consultants to perform labor intensive tasks, with oversight and review by more experienced consultants.

8. Exhibit A provides the detail of the time entries for each DSI consultant who has performed services in this case. A summary of the fees requested by DSI for each consultant and the number of hours worked for each individual, the billing rate requested and the total fees claimed is set forth below.

Consultant	Hours	Hourly Rate	Total
P. O'Malley – 2014	2.00	580.00	1,160.00
P. O'Malley – 2015	1.80	595.00	1,071.00
S. L. Cuff – 2014	9.00	250.00	2,250.00
S. L. Cuff – 2015	7.20	260.00	1,872.00
E. M. Lynch-travel @ ½	12.00	197.50	2,370.00
E. M. Lynch	117.10	395.00	46,254.50
	149.10		54,977.50

9. DSI has incurred and advanced the sum of \$842.20 for out-of-pocket expenses incurred in connection with this case on behalf of the Trustee during the period from October 1, 2014 through and including August 31, 2015. A summary of the out-of-pocket expenses incurred by DSI is set forth in Exhibit B.

10. DSI established certain category codes that cause related time to be grouped together to facilitate the review of the firm's requested fees by the Court, the United States Trustee, and creditors. Set forth below is a summary of the aggregate billings under the established categories for the period October 1, 2014 through and including August 31, 2015.

Category Name	Hours	Value
Fee Application/Client Billing	6.30	3,138.50
Collection of Notes Receivable	3.10	1,224.50
Managing Business Operations	11.10	2,902.00
Litigation Support	116.60	45,342.50
Travel at one-half	12.00	2,370.00
GRAND TOTALS	149.10	\$54,977.50

11. Prior to the filing of the involuntary bankruptcy, Eastern Livestock had been placed in a state court receivership (November 10, 2010), Elizabeth M. Lynch of DSI was named Receiver and DSI was named the Receiver's financial advisor. After the involuntary bankruptcy, Ms. Lynch of DSI was appointed as Custodian until the Trustee was appointed. The Receiver and DSI filed a fee application for the period between the filing of the involuntary bankruptcy and the date of the appointment of the Trustee ("the Custodial Period") on February 9, 2011. Payment for the Custodial Period fee application, comprised of \$160,023.50 for fees and reimbursement of \$15,699.30 for expenses, has been received by DSI.

12. DSI filed its First Interim Fee Application on June 2, 2011. Payment in full for the first interim fee application, comprised of \$816,837.00 for fees and reimbursement of \$89,422.48 for expenses, has been received by DSI.

13. DSI filed its Second Interim Fee Application on November 11, 2011. Payment in full for the second interim fee application, comprised of \$468,708.75 for fees and reimbursement of \$54,610.91 for expenses, has been received by DSI.

14. DSI filed its Third Interim Fee Application on November 21, 2012. Payment in full for the third interim fee application, comprised of \$935,821.25 for fees and reimbursement of \$40,787.03 for expenses, has been received by DSI.

15. DSI filed its Fourth Interim Fee Application on May 17, 2013 comprised of \$323,625.00 for fees and reimbursement of \$1,048.20 for expenses which pursuant to court order was approved and paid at 80% for fees (258,900.00) and 100% for expenses (\$1,048.20). Payments on interim fee awards from the Fourth Interim Fee Application forward shall be subject to the same 20% holdback, which holdback may be paid upon approval of the final fee application.

16. DSI filed its Fifth Interim Fee Application on December 4, 2013 comprised of \$235,952.50 for fees and reimbursement of \$1,917.00 for expenses which pursuant to court order was approved at 80% for fees (\$188,762.00) and 100% for expenses (\$1,917.00). DSI has received payment of \$188,762.00 of allowed fees and \$1,917.00 of allowed expenses.

17. DSI filed its Sixth Interim Fee Application on November 17, 2014 comprised of \$206,900.00 for fees and reimbursement of \$6,119.88 for expenses which pursuant to court order was approved at 80% for fees (\$165,520.00) and 100% for expenses (\$6,119.88). DSI has received payment of \$165,520.00 of allowed fees and \$6,119.88 of allowed expenses.

18. This Application is the seventh application of DSI since its appointment as consultant for the Trustee in this case.

19. No agreement or understanding exists between DSI and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

20. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively on behalf of the Trustee and represent necessary and proper financial advisory services in the administration of this chapter 11 case.

WHEREFORE, DSI requests (i) the Court to award an allowance of compensation on an interim basis for consulting fees in the amount of Fifty-Four Thousand Nine Hundred Seventy-Seven and 50/100 Dollars (\$54,977.50) plus reimbursement for out-of-pocket expenses incurred in the amount of Eight Hundred Forty-Two and 20/100 Dollars (\$842.20), (ii) award payment of the requested fees at 80% (\$43,982.00) and payment of

the requested expenses at 100% (\$842.20), and (iii) grant DSI all other just and proper relief.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP

By: /s/ James A. Knauer
*Chapter 11 Trustee on behalf of Consultant,
Development Specialists, Inc.*

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CERTIFICATE OF SERVICE

I hereby certify that on October 21, 2015, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on October 21, 2015, a copy of the foregoing pleading was served via electronic mail transmission on the following:

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By: /s/ James A. Knauer
Chapter 11 Trustee on behalf of Consultant,
Development Specialists, Inc.